GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:1605
ANSWERED ON:08.12.2015
Revival of Fertilizer Units
Kaushik Shri Ramesh Chander;Kodikunnil Shri Suresh;Lekhi Smt. Meenakashi;Mahajan Smt. Poonam ;Nishad Shri Ajay;Ramachandran Shri Krishnan Narayanasamy;Rao Shri Rayapati Sambasiva;Reddy Shri J.C. Divakar;Sathyabama Smt. V.;Sonker Smt. Neelam;Suman Shri Balka

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the production of fertilizers during each of the last three years in Public Sector Units (PSUs), unit-wise;

(b) whether several public sector fertilizer plants are running under loss and some of them have been declared as sick units ;

(c) if so, the loss incurred fertilizer unit-wise during each of the last three years;

(d) whether the Government had constituted an Empowered Committee of Secretaries (ECOS) in 2008 for revival of FCIL and HFCL unit in the country;

(e) if so, the details of recommendations made by ECOS regarding each sick unit of FCIL and HFCL; and

(f) the recommendations accepted by the Government and units revived through nomination and bidding route ?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS

(SHRI HANSRAJ GANGARAM AHIR)

(a) : The production of fertilizers during each of the last three years in Public Sector (PSUs), unit-wise in the country is at Annexure-I & II.
(b) : No, Madam.

(c) : The details of public sector Fertilizer units under the Ministry which have earned profit/suffered loss are as under:

Sl No Name of PSU Profit /(-loss) during the last three financial years (in Crores)
2012-13 2013-14 2014-15
Fertilizers PSUs
1 Project & Development India Ltd (PDIL) 15.33 1.94 -10.48
2 National Fertilizers Limited (NFL) -230.62 -161.16 44.72
3 Brahmaputra Valley Fertilizers Corporation Limited (BVFCL) -32.64 -158.29 646.12
4 The Fertilizers & Chemicals Travancore Limited (FACT) -353.96 -264.96 -399.91
5 Madras Fertilizers Limited (MFL) 24.44 100.04 -134.69
6 Hindustan Fertilizer Corporation Limited (HFCL) -380.53 -380.50 -380.75

(d) : Yes, Madam.

(e) & (f) : The ECoS recommended that the revival of closed units of Fertilizer Corporation (FCIL) and Hindustan Fertilizer Corporation Ltd (HFCL) would be through 'nomination route' by Public Sector Undertakings (PSUs) and by private sector through 'bidding route'. The nominated PSUs were Steel Authority of India for the Sindri unit, Rashtriya Chemicals and Fertilizers, GAIL INDIA Ltd & Coal India Limited for the Talcher unit and Engineers India Limited & National Fertilizers Limited for the Ramagundam unit with 11% equity to FCIL in lieu of land use and infrastructure that would be provided by FCIL at these locations. The ECoS recommended that Gorakhpur and Korba units of FCIL and all three units of HFCL be revived through 'bidding route'. The Government accepted the recommendations of ECoS.

Subsequently, CCEA in its meeting held on 9.5.2013, approved waiver of Government of India loan and interest to facilitate FCIL to arrive at positive net worth. This enabled FCIL to get de-registered from the purview of Board for Industrial and Financial reconstruction. Proposal/action plan on revival of HFCL units to be taken up once revival of FCIL units is on track. Also the Cabinet in its meeting held on 31.3.2015 and 21.05.2015 approved revival of Barauni and Sindri units respectively through 'bidding route'. The Cabinet in its meeting held on 31.3.2015 also approved revival of Gorakhpur unit through 'bidding route with minor changes in the terms and conditions approved earlier.

The project activities in respect of Talcher and Ramagundam units and bidding process in respect of Gorakhpur, Sindri and Barauni units are in initial phase.

******